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HEUBLEIN INC.





HEUBLEIN, INC. / 330 NEW PARK AVENUE / HARTFORD 1, CONNECTICUT



TO THE STOCKHOLDERS YEAR ENDED JUNE 30, 1962

## CONTENTS

	<i>Page</i>
Directors and Officers . . . . .	2
Heublein Highlights . . . . .	3
Charts: Sales and Earnings Trends . . . . .	4
Chairman's and President's Letter . . . . .	5-7
Smirnoff International . . . . .	8
Heublein Products . . . . .	9-16
Consolidated Statement of Income . . . . .	17
Consolidated Balance Sheet . . . . .	18-19
Consolidated Statements of Surplus . . . . .	20
Notes to Financial Statements and Auditors' Report . . . . .	21
Five Year Summaries . . . . .	22-23
Hartford Plant Facilities . . . . .	24



## HEUBLEIN INC.

### DIRECTORS

GERSON K. BERNSTEIN  
FREDERICK E. CHAPMAN  
*Vice Chairman*  
MARY G. FALVEY  
PETER M. FRASER  
EDWARD G. GERBIC  
RALPH A. HART  
THOMAS D. MANN

JOHN G. MARTIN  
*Chairman*  
WILLIAM H. MORTENSEN  
FRANCES HEUBLEIN O'DELL  
JOSEPH A. PROCHASKA  
RICHARD RAPPORT  
LESTER E. SHIPPEE  
J. HAROLD WILLIAMS

### EXECUTIVE COMMITTEE

FREDERICK E. CHAPMAN  
PETER M. FRASER  
RALPH A. HART

JOHN G. MARTIN  
WILLIAM H. MORTENSEN  
LESTER E. SHIPPEE

### OFFICERS

*Chairman*  
JOHN G. MARTIN

*President*  
RALPH A. HART

*Senior Vice Presidents*  
GERSON K. BERNSTEIN  
EDWARD G. GERBIC  
JOSEPH A. PROCHASKA

*Vice Presidents*  
GEORGE W. E. BALDWIN  
CHRISTOPHER W. CARRIUOLO  
WILLIAM E. DOLAN  
RICHARD F. NELSON  
DR. JOHN B. REHM

*Secretary*  
MARY G. FALVEY

*Treasurer*  
JOHN A. HENRY

*Controller*  
JOHN J. MORAN

*Assistant Secretaries*  
LEO FACCIOLA  
CHARLES E. KARL  
GRAHAM K. MUIRHEAD  
HENRY J. ROGERS

*Assistant Controller*  
JOHN P. WILLIS

### TRANSFER AGENTS

THE BANK OF NEW YORK  
48 WALL STREET  
NEW YORK 15, NEW YORK

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST CO. OF CHICAGO  
231 SO. LA SALLE STREET  
CHICAGO 90, ILLINOIS

### REGISTRARS

MORGAN GUARANTY TRUST CO.  
OF NEW YORK  
23 WALL STREET  
NEW YORK 8, NEW YORK

THE NORTHERN TRUST COMPANY  
50 LA SALLE STREET  
CHICAGO 90, ILLINOIS





## HEUBLEIN HIGHLIGHTS

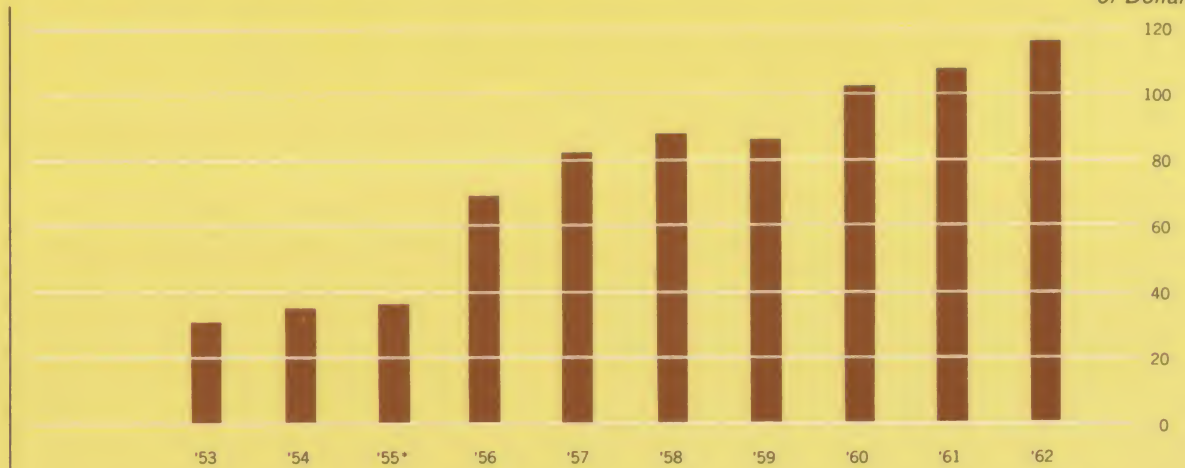
	1962	1961
Net sales . . . . .	\$116,141,949	\$108,281,236
Income before income taxes . . . . .	9,595,469	8,401,410
Income taxes — federal and state . . . . .	5,188,000	4,587,000
Net income . . . . .	4,407,469	3,814,410
Per share . . . . .	.91	.79
Dividends		
Cash — per share . . . . .	.38	.27
Stock . . . . .	1%	3%
Working capital . . . . .	24,294,492	22,561,505
Long-term debt . . . . .	4,016,000	4,732,000
Stockholders' equity . . . . .	28,462,668	25,692,133
Per share . . . . .	5.85	5.33
Number of stockholders at June 30 . . . . .	11,142	5,908



## HEUBLEIN INC.

Millions of Dollars

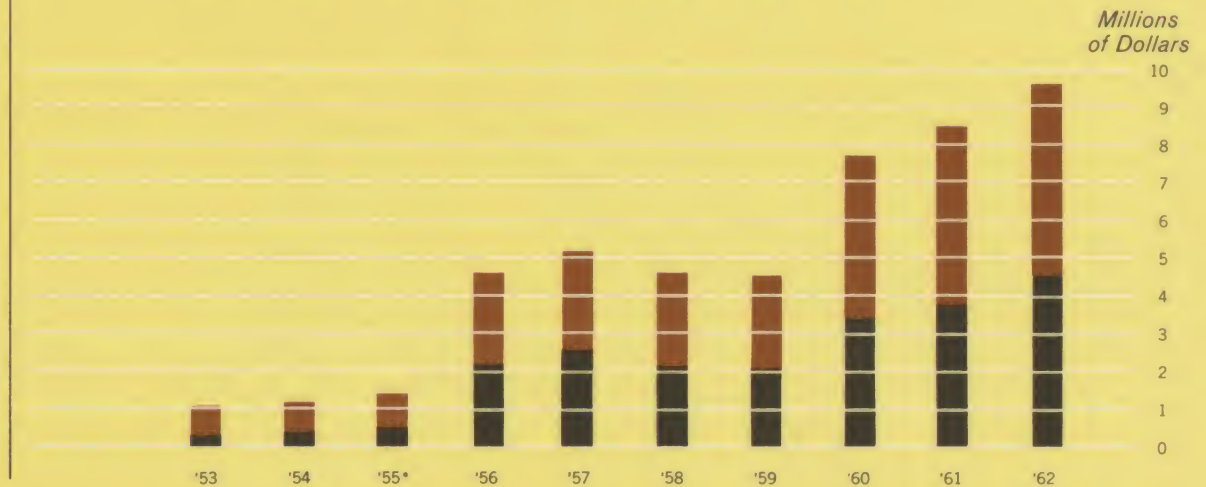
NET  
SALES



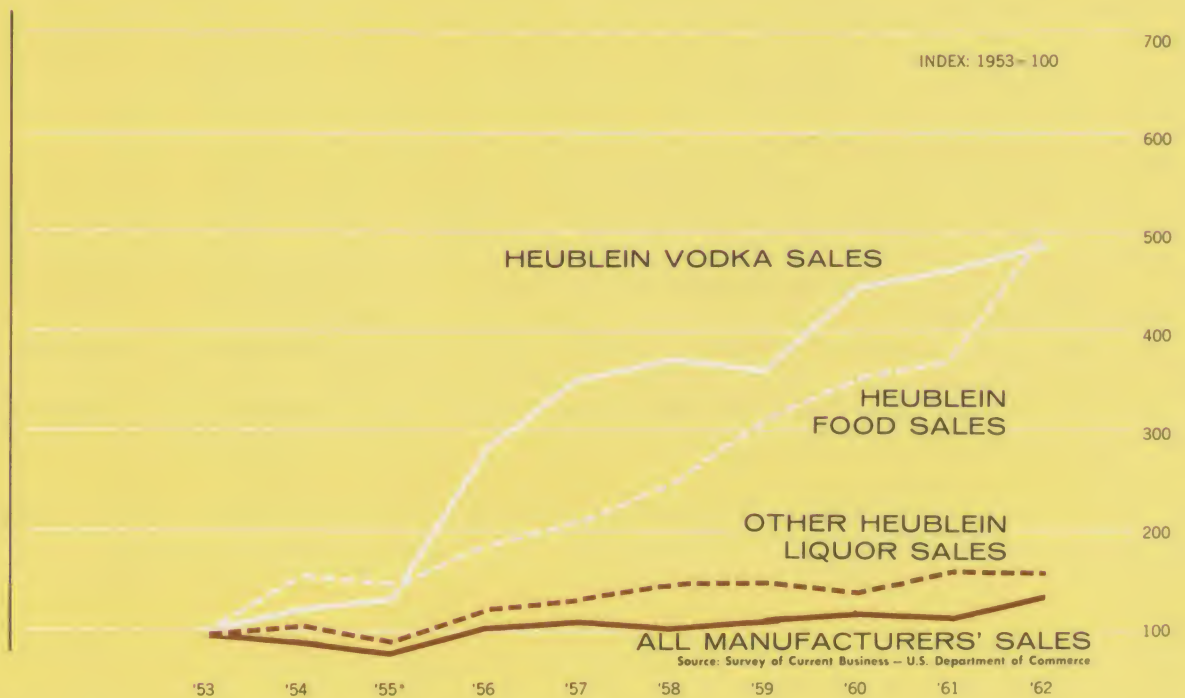
INCOME  
BEFORE  
TAXES

NET  
INCOME

Millions of Dollars



PERCENTAGE  
INCREASE  
IN  
\$ SALES



\*10 MONTH PERIOD



## TO OUR STOCKHOLDERS:

The past year was again one of substantial progress for our Company. Sales for the fiscal year 1961-62 were \$116,141,949 — up from \$108,281,236, a gain of 7% over the previous year. Profits were \$4,407,469 — up from \$3,814,410, a gain of 15%. Both dollar figures represent a new record.

Earnings per share were 91¢ as compared with 79¢ in the previous period (after adjusting the previous period for the 1% stock dividend and the stock split).

Public preference for Smirnoff Vodka, the Company's principal product, continued to manifest itself through increased sales. Substantial increases were also noted for the Company's entire line of bottled cocktails and during the year the Company introduced the Heublein Scotch Sour. Priced with the other 10 cocktails in the line, the Scotch Sour shows a fine potential. Both Smirnoff Vodka and Heublein Cocktails received strong advertising support and it is the Company's intention to expand its promotional efforts for these lines during the coming year in order to develop further the dominant position they now enjoy.

Internationally, Smirnoff Vodka has made important gains in the past year. Details for this operation will be found on page 8 of this report.

The Heublein Food Division is now making a significant contribution to net profit. Sales of A. 1. Steak Sauce again increased, showing a 31% gain over last





## HEUBLEIN INC.

year. After careful market testing, the product was given extensive day time television support which has produced remarkable results. Also, sales of Escoffier Sauces and other products made by Escoffier, Ltd., of England, the company we acquired in 1961, fulfilled expectations for the year with a satisfactory gain.

Fred R. Nye, General Manager of our Timely Brands Division was appointed in January to the newly created post of General Manager of both the domestic and imported food divisions of Heublein.

The Company plans to divest itself of the Andersen Soups product line and has entered into an agreement to sell this business to Tillie Lewis Foods, Inc., of Stockton, Calif. With our other products in national distribution, it was felt that we were not organized operationally to exploit a regional product on the most profitable basis.

Stockholders voted at the annual meeting of October, 1961, to split the stock three-for-one, increase the authorized common stock to 10,000,000 shares, \$1 par value from 2,000,000 shares, \$5 par value. They also voted to provide for 500,000 shares of cumulative preferred stock; to eliminate preemptive rights; and to increase the number of shares allocated for future stock options. Subsequently, the Board acted to increase the cash dividend by 20% and at the meeting of May 3rd, 1962, the Board declared a 1% stock dividend.

Since July 9, 1962, Heublein shares have been traded on the New York Stock Exchange. This action was consistent with the Board's intention ever since Heublein stock was initially offered to the public.

Mr. Ralph A. Hart, elected President of Heublein, Inc., as announced in last year's report, assumed office on June 1, 1961. Two new vice presidents were elected in July, 1962 and an assistant controller was appointed. The vice presidents are Richard F. Nelson, Production Manager and Dr. John B. Rehm, Research Director. John P. Willis is the new Assistant Controller.

On July 1, 1962, Heublein, Inc., became sole U.S. importers of Bisquit cognacs, made by the world famous firm of Bisquit Dubouché and Co., Jarnac, France. The line consists of Bisquit Three Star, V.S.O.P., Napoleon Fine Champagne Cognac and Vieille Grande Fine Champagne Cognac.

The fine quality of Heublein products is maintained and enhanced by a program of active research. In addition to the quality control laboratories in Hartford and Menlo Park, the Company maintains a product research department whose





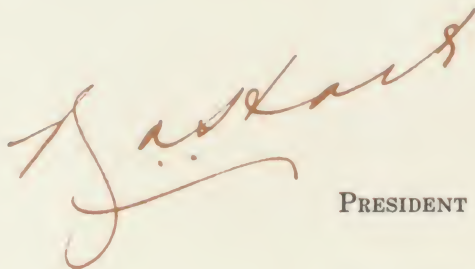
people constantly strive to improve Heublein products, evaluate those of competitors and occasionally use the services of outside research firms for special data.

Looking to the future, Heublein this year instituted a college recruitment and training program. Senior executives have called upon college campuses and interviewed a large number of potential candidates. In the past year, five recruits have started the program which incorporates the best and most modern practices in executive development.

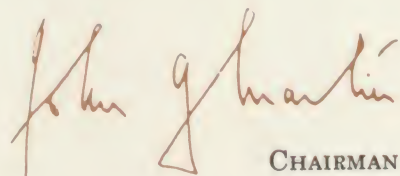
Forecasting, the Company looks toward continued progress in sales and earnings aided by intensive promotion of its many products, particularly Smirnoff Vodka, Heublein Cocktails, A. 1. Steak Sauce, Harvey's Sherries and Ports and Bell's Scotches.

Opportunities for further growth may be found in acquiring new product lines and companies. Such acquisitions will be considered, however, only if they conform to a profit pattern and growth potential equal to or better than that experienced by Heublein to date.

The record of the past — satisfying as it has been — is exceeded by our enthusiasm and determination for the period ahead. This extends to all the men and women of the Heublein organization and its distributors, aided by the continuing confidence of our customers and the interest and support of our stockholders. We earnestly ask each stockholder to use Heublein products and we recommend them with full confidence as being the finest of their various types. We wish to express our appreciation to all who have contributed to the important results achieved in the past and to our growing future.



PRESIDENT



CHAIRMAN



HEUBLEIN INC.

## SMIRNOFF INTERNATIONAL

In addition to operations in all 50 states in the U. S., Heublein products are known throughout the world.

The pattern of increase in the popularity of vodka in the U. S. pioneered in the U. S. by Smirnoff, is emerging throughout the free world. Currently, Smirnoff Vodka is made under licensing arrangements in 15 foreign countries. Additionally, Smirnoff Vodka is shipped to more than 100 foreign countries, and is the world's largest selling vodka.

During the past year, production of Smirnoff Vodka was started in Japan, New Zealand and Venezuela. In Japan it is made by The Nikka Whisky Distilling Co., Ltd., in New Zealand by Gilbey's Limited and in Venezuela by Cinzano, S. A., all under the exacting specifications

and high quality required in Heublein's two U. S. plants, Hartford, Connecticut and Menlo Park, California.

It is expected that sales of Smirnoff Vodka abroad will increase substantially over the next few years. In Scotland, for example, Smirnoff Vodka has made great gains with sales in that country approaching 70,000 cases a year. Currently, Smirnoff Vodka sales in Scotland are 250% ahead of the same period two years ago.

The other 12 countries in which Smirnoff Vodka is produced are Argentina, Australia, Brazil, Canada, England, France, Germany, Italy, Mexico, Spain, South Africa and Southern Rhodesia. In addition, Smirnoff Vodka is being bottled for distribution in Belgium, Holland and Switzerland.





Smirnoff Vodka blends smoothly with just about anything that pours. Pictured here are a few of the great vodka drinks pioneered by Smirnoff which have dramatically changed the drinking habits of America: Vodka Gimlet, Screwdriver, Vodka Martini, Bloody Mary, Vodka Collins and the newest, the Vodka Sour.







OUR COWBOY PHILOSOPHER IS "LONESOME GEORGE" GOBEL OF TV AND BROADWAY FAM

**NEVER GAMBLE WITH A STRANGER AT A BAR!** Even people who wouldn't dream of having any vodka but smooth, flawless Smirnoff® in their homes are inclined to become careless when ordering at a bar. They *want* Smirnoff. They *expect* Smirnoff. But they fail to *specify* Smirnoff. So what they're likely to be served is a lesser vodka for their money. Don't take the gamble. Command Smirnoff by name. Insist! Persist! Resist anything else!

*it leaves you breathless!*

**Smirnoff**®

THE WORLD'S LARGEST SELLING VODKA





### Domestic Liquors (above)

In addition to Smirnoff, Heublein markets two other quality vodkas, Relska, which is in the middle price range and Popov Vodka which is in the lower price category. Both these brands made good progress in the past year. Heublein Ready-to-Serve Cocktails enjoyed another excellent sales year, with Milshire Gin, Heublein Dry and Sweet Vermouths and Heublein Cordials also showing good gains.

### Imported Liquors (below)

In keeping with the Heublein tradition of giving the public the best value for its money, your company is marketing "Bell's 6", a six-year-old scotch whisky, at the same price as competitive four-year-old whiskies. This dramatic development is receiving widespread consumer acceptance. Harvey's fine line of Spanish sherries and ports continue to dominate the American market. Gilbey's Canadian Velvet and Gilbey's Crock O'Gold Irish Whiskey show steady improvement.











### **Food Importing Company**

Escoffier Sauces have won wide acceptance since Heublein acquired this line. Virtually all products imported by Heublein show increases for the year. These include Rose's Lime Juice, Perrier Water, Guinness, Bass Ale, Huntley & Palmer's Biscuits, Edouard Artzner Foie Gras, Robertson's Preserves and Ming Teas.

### **Domestic Food Division**

Heublein Domestic Food Division enjoyed another all time high in sales. Cake-Mate Icings and Gels are now in national distribution. Maypo and Maltex Cereals and Grey-Poupon Mustard are gaining acceptance throughout the country as A. 1. Steak Sauce continues as the nation's No. 1 thick sauce.



## Famous A. 1. Steak Sauce

This well established product has made great new sales gains in the past year. Increased advertising and merchandising suggesting to the public that A. 1. Steak Sauce is a delicious ingredient in cooking, as well as a pour on, have produced the highest level of sales in the history of this product.





## Heublein Cocktails

With the addition of the Scotch Whisky Sour, there are now 11 Ready-to-Serve Heublein Cocktails: Manhattan, Extra Dry Martini, Vodka Sour, Gin Sour, Whiskey Sour, Side Car, Vodka Martini, Daiquiri, Old Fashioned and Stinger. These cocktails are vigorously marketed with a nation-wide advertising campaign stressing quality and the 25 cent a drink theme.





# *Holiday Gift Packages*







## CONSOLIDATED STATEMENT OF INCOME

Years ended June 30, 1962 and 1961

	1962	1961
Net sales . . . . .	\$116,141,949	\$108,281,236
Cost of sales . . . . .	85,792,834	80,418,739
Gross profit . . . . .	<u>30,349,115</u>	<u>27,862,497</u>
Expenses:		
Selling and advertising . . . . .	16,444,295	16,088,635
Administrative and general . . . . .	4,110,553	3,204,579
	<u>20,554,848</u>	<u>19,293,214</u>
	9,794,267	8,569,283
Other deductions (income):		
Interest expense . . . . .	241,072	272,518
Interest income . . . . .	(124,015)	(114,515)
Miscellaneous — net . . . . .	81,741	9,870
	<u>198,798</u>	<u>167,873</u>
	9,595,469	8,401,410
Provision for income taxes:		
State . . . . .	478,000	336,000
Federal . . . . .	4,710,000	4,251,000
	<u>5,188,000</u>	<u>4,587,000</u>
<b>Net Income</b>	<b><u>\$ 4,407,469</u></b>	<b><u>\$ 3,814,410</u></b>

Provision for depreciation charged to income —  
1962, \$798,941; 1961, \$653,139.

*See accompanying notes.*



HEUBLEIN INC.

## CONSOLIDATED BALANCE SHEET.....

### ASSETS

	1962	1961
<b>Current assets:</b>		
Cash, including time deposits of \$3,500,000 in 1962 . . . . .	\$ 6,663,892	\$ 3,169,339
Marketable securities, at cost (approximately market) . . . . .	1,700,000	2,490,556
Investment in whiskey certificates, at cost (not in excess of market) . . . . .	1,068,504	592,862
Accounts receivable . . . . .	14,976,925	14,047,753
Inventories, at lower of cost (generally first-in, first-out) or market:		
Finished products . . . . .	4,328,863	6,407,619
Products in process . . . . .	852,026	655,500
Raw materials . . . . .	3,635,738	2,433,151
Supplies . . . . .	842,400	752,652
Prepaid expenses . . . . .	411,025	430,683
<b>Total current assets</b>	<b>34,479,373</b>	<b>30,980,115</b>
 <b>Property, plant and equipment, at cost:</b>		
Land . . . . .	401,044	404,400
Buildings . . . . .	4,933,228	4,626,056
Machinery and equipment . . . . .	6,363,365	5,570,730
	11,697,637	10,601,186
<i>Less accumulated depreciation</i>	4,665,154	3,923,764
<b>Total property, plant and equipment</b>	<b>7,032,483</b>	<b>6,677,422</b>
 <b>Deferred charges and other assets</b>	<b>703,174</b>	<b>713,081</b>
 <b>Goodwill, less amortization</b>	<b>448,519</b>	<b>472,125</b>
	<b>\$42,663,549</b>	<b>\$38,842,743</b>

See accompanying notes.





June 30, 1962 and 1961

## LIABILITIES AND STOCKHOLDERS' EQUITY

	1962	1961
<b>Current liabilities:</b>		
Accounts payable . . . . .	\$ 2,197,506	\$ 2,173,418
Federal income taxes . . . . .	3,184,370	2,431,371
Accrued liabilities:		
Taxes, other than federal income taxes . . . . .	1,898,834	1,303,267
Salaries and wages . . . . .	665,500	661,500
Other . . . . .	1,040,698	806,180
Cash dividends payable . . . . .	481,973	386,874
Long-term debt due within one year . . . . .	716,000	656,000
<b>Total current liabilities</b>	<b>10,184,881</b>	<b>8,418,610</b>
<b>Long-term debt due after one year:</b>		
4¾% debentures, due January 1, 1977 (Note 1) . . . . .	<b>4,016,000</b>	<b>4,732,000</b>
<b>Stockholders' equity:</b>		
Capital Stock		
Cumulative Preferred—without par value 500,000 shares authorized and unissued		
Common—par value \$1 per share (\$5 in 1961) (Note 2)	4,819,725	7,737,485
Shares		
Authorized . . . . .	10,000,000	2,000,000
Outstanding . . . . .	4,819,725	1,547,497
Stock Dividend Payable . . . . .	44,977	44,230
Paid-in Surplus . . . . .	12,447,118	8,059,178
Earned Surplus . . . . .	11,150,848	9,674,320
<b>Total stockholders' equity</b>	<b>28,462,668</b>	<b>25,692,133</b>
	<b>\$42,663,549</b>	<b>\$38,842,743</b>

See accompanying notes.



HEUBLEIN INC.

## CONSOLIDATED STATEMENTS OF SURPLUS

Years ended June 30, 1962 and 1961

### Paid-in Surplus

	1962	1961
Balance at beginning of year . . . . .	\$ 8,059,178	\$ 5,579,244
Add:		
Excess of market value over par value of common stock payable as a stock dividend . . . . .	969,817	2,111,983
Excess of option price over par value of common stock issued on exercise of options . . . . .	220,941	15,635
Transfer from common stock in connection with a three-for-one stock split and simultaneous reduction in par value from \$5 to \$1 per share . . . . .	3,197,182	—
Excess of market value over par value of common stock issued in connection with acquisitions . . . . .	—	352,316
<b>Balance at end of year</b>	<b>\$12,447,118</b>	<b>\$8,059,178</b>

### Earned Surplus

Balance at beginning of year . . . . .	\$ 9,674,320	\$ 9,619,271
Net income . . . . .	4,407,469	3,814,410
	14,081,789	13,433,681
Deduct dividends declared:		
Cash*—\$.38 per share (\$.27 in 1961) . . . . .	1,843,497	1,310,446
Stock:		
1%—44,977 shares (3%—132,690* shares in 1961) at market value . . . . .	1,014,794	2,333,133
Cash in lieu of fractional shares . . . . .	72,650	115,782
	2,930,941	3,759,361
<b>Balance at end of year</b>	<b>\$11,150,848</b>	<b>\$9,674,320</b>

\*After adjusting for 3 for 1 stock split

See accompanying notes.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 1 — Long-term debt:** On January 1 of each year the Company is required to redeem \$375,000 principal amount of debentures and an additional principal amount equal to 10% of the excess of consolidated net income (as defined in the indenture) for the preceding fiscal year over \$1,000,000.

The indenture also requires the Company to maintain consolidated net current assets (as defined) of the greater of \$5,000,000 or 150% of outstanding debentures. Consolidated net current assets at June 30, 1962 exceeded the requirement by \$17,440,023.

**NOTE 2 — Stock options:** Under a "Restricted Stock Option Plan", approved by the stockholders on May 2, 1958 and amended on October 19, 1961, options may be granted to officers and key employees to purchase shares of the Company's common stock, at prices not less than 95% of fair market value. The Plan provides that the term of any option may not exceed ten years and that options may not become exercisable earlier than one year after the date of grant. The status of options outstanding under the Plan is as follows:

Fiscal Year Granted	Fiscal Year Becoming Exercisable	Option Price Per Share	Shares Under Option 6/30/61	Shares Exercised During Year	Shares Under Option 6/30/62
1959	1961	\$ 3.86	8,233	—	8,233
1960	1962	6.21	55,791	44,544	11,247
1961	1963	13.06	6,242	—	6,242
1961	1963 to 1967	18.95	60,858	—	60,858
1962	1963 to 1964	17.95 to 23.63	—	—	9,342
			<u>131,124</u>	<u>44,544</u>	<u>95,922</u>

There were 29,033 shares at June 30, 1961 and 298,960 shares at June 30, 1962 available for grant under the Plan. During the year ended June 30, 1962, 279,269 additional shares were authorized for grant and options for 9,342 shares were granted.

At June 30, 1961 and June 30, 1962, options granted in August 1957 covering 19,940 shares of the Company's common stock were outstanding at a price of \$3.54 per share. These options became exercisable in August 1959 and were exercised in July 1962.

The above information regarding number of shares and option prices has been adjusted to the extent applicable for stock splits and stock dividends declared.

### REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Stockholders,  
Heublein, Inc.:

We have examined the accompanying consolidated balance sheet of Heublein, Inc. and subsidiaries at June 30, 1962 and the related consolidated statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of Heublein, Inc. and subsidiaries at June 30, 1962 and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Arthur Young & Company

New York, N.Y.  
August 20, 1962



HEUBLEIN INC.

## FIVE YEAR CONSOLIDATED FINANCIAL POSITION AT JUNE 30

<b>Current assets:</b>	<b>1962</b>	<b>1961</b>	<b>1960</b>	<b>1959</b>	<b>1958</b>
Cash . . . . .	\$ 6,663,892	\$ 3,169,339	\$ 3,924,952	\$ 2,408,447	\$ 1,884,858
Marketable securities . . . . .	1,700,000	2,490,556	4,883,335	11,433	13,309
Investment in whiskey certificates . . . . .	1,068,504	592,862	592,862	348,666	658,221
Accounts receivable . . . . .	14,976,925	14,047,753	12,426,254	13,189,173	12,753,251
Inventories . . . . .	9,659,027	10,248,922	8,268,826	6,924,386	7,440,239
Prepaid expenses . . . . .	411,025	430,683	382,410	321,276	394,627
Total current assets . . . . .	<u>34,479,373</u>	<u>30,980,115</u>	<u>30,478,639</u>	<u>23,203,381</u>	<u>23,144,505</u>
<b>Current liabilities:</b>					
Notes payable to banks . . . . .	—	—	—	3,000,000	5,000,000
Accounts payable . . . . .	2,197,506	2,173,418	1,932,748	1,407,975	1,373,196
Federal income taxes . . . . .	3,184,370	2,431,371	2,856,803	1,816,236	1,770,078
Accrued liabilities . . . . .	3,605,032	2,770,947	2,687,894	1,975,392	1,151,087
Cash dividends payable . . . . .	481,973	386,874	299,093	174,875	174,875
Long-term debt due within one year . . . . .	716,000	656,000	631,000	480,000	488,000
Total current liabilities . . . . .	<u>10,184,881</u>	<u>8,418,610</u>	<u>8,407,538</u>	<u>8,854,478</u>	<u>9,957,236</u>
<b>Working capital . . . . .</b>	<b>24,294,492</b>	<b>22,561,505</b>	<b>22,071,101</b>	<b>14,348,903</b>	<b>13,187,269</b>
Property, plant and equipment . . . . .	7,032,483	6,677,422	5,792,814	5,966,600	6,231,891
Deferred charges, other assets and goodwill . . . . .	1,151,693	1,185,206	416,400	431,689	444,221
	<u>32,478,668</u>	<u>30,424,133</u>	<u>28,280,315</u>	<u>20,747,192</u>	<u>19,863,381</u>
Deduct: Long-term debt due after one year . . . . .	4,016,000	4,732,000	5,388,000	6,019,000	6,499,000
<b>Stockholders' equity . . . . .</b>	<b>\$28,462,668</b>	<b>\$25,692,133</b>	<b>\$22,892,315</b>	<b>\$14,728,192</b>	<b>\$13,364,381</b>
Per share of common stock outstanding at end of year . . . . .	\$5.85	\$5.33	\$4.78	\$3.78	\$3.43





# HEUBLEIN INC.

## FIVE YEAR CONSOLIDATED RESULTS OF OPERATIONS FOR YEARS ENDED JUNE 30

	1962	1961	1960	1959	1958
Net sales . . . . .	\$116,141,949	\$108,281,236	\$103,168,562	\$ 87,647,367	\$ 87,839,429
Cost of sales . . . . .	85,792,834	80,418,739	78,028,396	67,275,558	67,231,416
Gross profit . . . . .	<u>30,349,115</u>	<u>27,862,497</u>	<u>25,140,166</u>	<u>20,371,809</u>	<u>20,608,013</u>
Expenses:					
Selling and advertising . . . . .	16,444,295	16,088,635	14,276,394	12,709,945	12,612,659
Administrative and general . . . . .	4,110,553	3,204,579	2,783,463	2,561,479	2,821,618
	<u>20,554,848</u>	<u>19,293,214</u>	<u>17,059,857</u>	<u>15,271,424</u>	<u>15,434,277</u>
	<u>9,794,267</u>	<u>8,569,283</u>	<u>8,080,309</u>	<u>5,100,385</u>	<u>5,173,736</u>
Other deductions (income):					
Interest . . . . .	241,072	272,518	317,528	511,170	551,949
Miscellaneous — net . . . . .	(42,274)	(104,645)	(24,879)	126,906	(32,039)
	<u>198,798</u>	<u>167,873</u>	<u>292,649</u>	<u>638,076</u>	<u>519,910</u>
	9,595,469	8,401,410	7,787,660	4,462,309	4,653,826
State and federal income taxes . . . . .	5,188,000	4,587,000	4,232,000	2,399,000	2,524,000
<b>Net income</b>	<b><u>\$4,407,469</u></b>	<b><u>\$3,814,410</u></b>	<b><u>\$3,555,660</u></b>	<b><u>\$2,063,309</u></b>	<b><u>\$2,129,826</u></b>
Number of shares of common stock outstanding at end of year (Note) . . . . .	4,864,702	4,820,158	4,793,947	3,892,447	3,892,447
Net income per share (Note) . . . . .	\$.91	\$.79	\$.74	\$.53	\$.55
Dividends declared:					
Cash (Note) . . . . .	.38	.27	.22	.18	.18
Stock . . . . .	1%	3%	3%	2½%	—

NOTE: Adjusted to give retroactive effect to stock dividends and stock splits.



## SOMETHING NEW IN HARTFORD

The Company's new headquarters wing at 330 New Park Avenue, Hartford, was completed and occupied during the year, relieving working space pressures for both key executive and administrative people as well as for shipping personnel and facilities.

The building addition made possible the physical reorganization and relocation of the various departments along functional lines, enabling a streamlining of procedures and cohesive departmental groupings.

Much-needed space and additional loading docks were incorporated to provide for increasing shipping-warehousing operations, making it easier and less time-consuming to handle the ever-growing volume of customer-bound Heublein products.

Another outstanding feature of the new wing was inclusion of a bright and cheery self-service cafeteria for the use of all employees.



Installation of an IBM 1401 data processing system was completed in July.



Smirnoff Vodka speeds off modern bottling lines in the main Hartford Plant.





